

## **Historic, Archive Document**

Do not assume content reflects current  
scientific knowledge, policies, or practices.



# Spotlight ON FOREIGN MARKETING



TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

DEC 14 1961

GENERAL SERIAL RECORDS

November 8, 1961

U. S. EXHIBITS AT SECOND PACIFIC INTERNATIONAL TRADE FAIR IN PERU. This was an international fair at which 16 European, 6 Asiatic, and 8 American countries including the U. S. had exhibits. The fair opened October 11th and closed on October 29.

The U.S. exhibit was under the cooperative sponsorship of the U. S. Department of Commerce and the U. S. Department of Agriculture. The former department exhibited a multitude of industrial and educational products with Agriculture emphasizing wheat, soybeans, and inedible tallow for soap making. The wheat exhibit included the preparation and supplying of donuts and pancakes made from U. S. wheat, the former cooked in American lard.

Also, featured was a typical school lunch feeding demonstration at which three groups of 50 children each were brought to the exhibit for a free meal each day. It featured a model of the feeding units which will be used later in the rural areas of Peru. The children were given a small bar of soap made with U. S. tallow and required to wash their hands before they ate. In all, about 150,000 bars of soap were given to groups of children and visitors who stopped at the display.

The soybean exhibit displayed the many products of human food containing soybean flour and soybean oil. Trained demonstrators showed how soybean products could be used in making cakes, soups, pastries, and so on. The high protein value of soybean flour was emphasized.

FEED GRAIN PROMOTION LAUNCHED IN JAPAN. Clarence Palmby, the new Executive Vice President of the Feed Grains Council, recently returned from Japan where he signed a large third party agreement with the Japan Feed Council.

Details of much of the program are to be worked out, but it will include such fields as market studies (e.g., consumer reaction to the degree of pigmentation in egg yolks), feeding trials exchange of personnel, plus various types of promotion and the dissemination of information.

Expanding the livestock economy is one of the major projects of the Ministry of Agriculture and it is being pushed aggressively. Imports of feed grains into Japan are rising rapidly and now equals a ship-load every other day. The U. S. share of this market last year amounted to 1.3 million tons.

The Japan Feed Council has been organized to work with the U. S. counterpart and its leaders are enthusiastic about the program.

A280,39

F765  
cop2

VOL. V, No. 8

SPEED IN NEGOTIATING NEW MARKET DEVELOPMENT AGREEMENTS  
URGED. Attaches are urged, whenever possible, to help expedite the negotiating and signing of F.Y. 1962 market development project agreements. Much of the work will have to be done by FAS/Washington, we realize, but whenever the attache is involved his full cooperation is requested.

The revision of Title 11, following the Task Force report plus the necessary development of new standard language for agreements have badly delay the signing up of this year's funds.

STANLEY W. PHILLIPS JOINS TRADE PROJECTS DIVISION. Stanley W. Phillips formerly Far East Area Coordinator, Program Development Division, has joined Trade Projects Division to head a new branch concerned with program evaluation and analysis.

MOBILE EXHIBIT WINDS UP 1961 TOUR. The 5-unit mobile exhibit wound up a successful calendar year 1961 season with the exhibit at the OLMA in St. Gallen, Switzerland on October 25. The display which featured feed grains, soybeans and soybean meal, and stressed the quality and availability of these U. S. products was shown at Copenhagen, Odense, Herning, Klagenfurt, Ried, Innsbruck and St. Gallen. The Teleprompter show plus the "Champ" were crowd attractors. (See Spotlight Vol. V, No. 4)

Reports indicate the exhibits have been well received by enthusiastic crowds at all showings.

Plans are now being drawn up to use this exhibit at other European locations in 1962.

SPOTLIGHT ON HAMBURG. Much of FAS' market development activity this month is centered on the big Hamburg show which opens November 10 for 10 days. (See Spotlight Supplement, October 11, Vol. V, No. 7.) Secretary Freeman will open the show. As the opening day approached, the publicity program was in full swing. Because the Hamburg exhibit is a "solo" effort and not part of a general fair, attendance will depend on the publicity program's effectiveness in attracting large crowds. Techniques being used to this end include: full-page newspaper advertisements, direct mail brochures to the food trade, trade press advertisements, house-to-house brochures, posters, window displays in grocery stores, advertising slides in 90 theatres, advertisements every 2-1/2 minutes on a flashing news display board of the New York Times variety in downtown Hamburg, balloons and toy cut-outs for children, car window stickers, and a running series of receptions and luncheons for Hamburg dignitaries and the press.

FILM PLANNED TO PROMOTE SALE OF BREEDING CATTLE IN LATIN AMERICA. A contract has been entered into between the American Hereford Association and FAS to produce a Spanish language sound track for an existing film which can be used by agricultural attaches in developing markets for beef breeding cattle in selected Latin American countries. The film is designed to be shown at livestock expositions to producer groups, to appropriate Government officials, and other interested parties.



JAPANESE COOPERATORS CONFER ON MARKET DEVELOPMENT TECHNIQUES. A market development meeting featuring third party cooperators was recently organized in Japan by Attaches Elkinton and Novotny. Held at Hakone, 50 miles outside of Tokyo, it was attended by 22 persons representing seven commodities with active programs in Japan -- wheat, cotton, soybeans, tobacco, tallow, hides and skins and feed grains -- plus representatives of the Attache's office, Clarence Palmby and Jim Howard. The cooperators reported on techniques being used, progress being made, and problems encountered. Most of the programs seemed to be well established and successful, though some are still new and feed grains is just getting started. Also, Chuck Elkinton reviewed the progress of the program in Japan and Jim Howard showed slides illustrating various market development techniques being used throughout the world.

The meeting was all in Japanese, the Americans having to use interpreters. The conference included dinner which was also pure Japanese with participants wearing kimonos and sitting on the floor.

MARKET DEVELOPMENT FILM WINS AWARD. At the Ninth Annual Film Festival held by the Film Council of Greater Columbus (Ohio) a Chris Certificate, bestowed for excellence of production, went to "Wheat Foods Around the World." Congratulations to Millers' National Federation who sponsored the film under their cooperative program with F.A.S. It is available along with several other good wheat promotion films. The sound track is being translated in Spanish, French, Italian and German as well as the original English version. This is an excellent film for use in theatres and by third parties in promoting the use of wheat and wheat products.

CHAIRMAN OF GREAT PLAINS WHEAT, INC. ON MARKET DEVELOPMENT TRIP. Dick Lewis, Arapahoe wheat farmer who is Chairman of the Great Plains Wheat, Inc. Board of Directors and the Nebraska Wheat Commission, is on a seven-week trip inspecting his organization's work. He will visit GPW offices and projects in India, Pakistan, Japan, The Philippines, Holland, Italy, England, and Germany.

NEW U. S. MARKET PROMOTION MOTTO. Blaine Liljenquist of Western States Meat Packers Association amused leaders of the Japanese leather industry in Japan with what he called the American market development motto:

"Early to bed,  
Early to rise,  
Work like Hell  
And Advertise!"

HERBERT H. ALP FARM BUREAU MANAGER IN ROTTERDAM. Dr. Alp has recently taken charge of the American Farm Bureau's European Market Development office in Rotterdam, Netherlands. George Dietz, his predecessor, has joined a private grain firm in N. Y.

LOANS FOR FINANCING U. S. LIVESTOCK EXPORTS. Attached as a supplement is an excerpt from a letter written by Bill Doering to an American firm regarding possible Government credit financing of livestock exports.

TRADE FAIR EVALUATION. The International Trade Fairs Division has for the first time contracted with a commercial research organization to conduct a study evaluating the sales impact of our trade exhibits. The study will cover the big show at Hamburg and the smaller food exhibit at Stuttgart.

Meanwhile, Bob FitzSimmonds supplies this pleasant tidbit of unscientific sampling from a letter recently received:

"To your inquiry whether the Florida citrus industry considers Trade Fairs, such as those sponsored by the Foreign Agricultural Service in various countries, a worthwhile investment of time, money and personnel, we are most happy to reply with an unqualified and enthusiastic, 'YES.'

"There has not been a single instance where the Florida citrus industry has participated in such exhibits that it has not resulted in increased exports."

SWEDISH MARKET DEVELOPMENT PROJECT. The Federation of Swedish Retail Merchants Associations requested FAS to provide for participation by a qualified representative of the U. S. food industry at three fall meetings of the Federation at Stockholm, Trollhatten and Norrkoping, Sweden. Edwin J. Holmquist, a Swedish speaking operator of a supermarket at Buffalo, Minnesota, was selected by the food industry and participated in a series of talks supplemented by film showings dealing with the latest innovations in U. S. processed foods and latest trends in U. S. grocery stores, retail selling methods, store planning and operations and improvements in labor saving devices. Promotional luncheons and receptions arranged by Agricultural Attache Harry Varney resulted in many sales contacts. Mr. Holmquist, just returned, reports a lively interest in the Swedish grocery trade for U. S. packaged products and foresees a good potential for larger outlets in Sweden which can be attained by more effective sales efforts.

LATIN AMERICA SHOWS INTEREST IN U. S. LIVESTOCK. Returning from a recent market study trip, Dalton Wilson of the FAS Livestock and Meat Products Division, reports Guatemala is planning a livestock purchase mission to the U. S. Plans are to purchase 100 head of dairy and beef cattle with an estimated value of \$62,000. The project is being coordinated with appropriate U. S. breed associations.

The Bank of America has approved \$500,000 loan to Guatemala for the importation of purebred cattle for breed improvement purposes. Money was made available to the Banco de Guatemala for re-loaning to member banks. Member banks have been informed of the availability of funds and applications for funds are being submitted to member banks by livestock breeders. Within a short time these applications will be reviewed and a livestock purchase mission to the U. S. is expected to be initiated at an early date.

## LOANS FOR FINANCING U. S. LIVESTOCK EXPORTS

The following are the principal U. S. and international agencies whose programs include export financing. It is important to note that the main purpose of all except the first-listed one is to promote economic development abroad; financing of exports, though important, is an adjunct of this objective.

### A. U. S. Agencies:

- (1) Export-Import Bank of Washington -- its primary purpose is to assist U. S. exporters, or firms producing for export. For various reasons, financing of capital equipment and manufactured goods is the main activity.

However, in recent years the Bank has made loans to a few Latin American countries for the purpose of buying U. S. breeding livestock. Two loans were made to Mexico, one to Ecuador and one to Honduras. A large portion of the funds made available to Mexico were utilized and the purchase program was considered successful by the former president of the Export-Import Bank. The loans have been approved for a 5-year period with interest at the rate of 5-3/4 percent.

- (2) Development Loan Fund -- the "loan" side of the foreign aid program, as distinct from grants and military assistance. It makes loans to the poorer, underdeveloped countries for various purposes connected with economic development.

A loan of \$2.3 million equivalent has been approved for the expansion of the sheep industry in Ecuador. It is expected that this loan will permit the purchase of approximately 20,000 sheep over a 5-year period. Another loan of \$5 million has been approved for Costa Rica for pasture improvement and the purchase of breeding stock.



B. International Agencies:

International Bank for Reconstruction and Development

(World Bank) -- makes economic development loans to member countries, which includes most of the free world. Loans are made only to governments, and usually only to underdeveloped countries. There have been "livestock improvements" loans, but those have been to finance pasture improvements, veterinary supplies, and the line--not breeding stock. Theoretically, livestock financing could be done, but we know of no current plans for the immediate future.

All of the above agencies are of course interested in making sound loans where the prospects of repayment are favorable. Thus, the credit standing and "business outlook" of the prospective end-user of the money is an essential consideration; but obviously the agencies are not equipped to make investigations and pass judgment on relatively small borrowers, such as individual farmers and ranchers. Consequently, we think that it is safe to say that all of them would insist that any livestock loans (a) be part of a larger livestock development or improvement program being promoted and supervised by the government of the country concerned, and (b) be guaranteed by that government with respect to repayment.

As we see it, the practical meaning of this to a potential U. S. supplier is that, before going to the loan agency, he must first find a prospective foreign customer who can obtain the approval and support of his government for the purchase of U. S. livestock on credit. It is the foreign government, as borrower or guarantor, who is in position to get a favorable decision from the loan agencies, not the exporter.

Since the Export-Import Bank's emphasis is on promoting U. S. exports, with foreign economic development a desirable but subordinate result, it should be more helpful than the other agencies. If you have one or more foreign customers in mind, you might inquire as to the possibilities; as an address, Washington 25, D. C. is sufficient. You should expect, however, that unless there is considerable push already generated in the foreign country, the reply will be cautious and probably discouraging.

\*\*\*\*\*